

FISCAL NOTE

SB 3398 - HB 3754

February 29, 2008

SUMMARY OF BILL: Adds a new definition for “minimum full-time employee positions”, as it applies to tax credits granted to taxpayers for establishing a qualified facility to support emerging industry or a major cultural attraction. Redefines “minimum investment” as it applies to tax credits granted to taxpayers for establishing a qualified facility to support an emerging industry or a major cultural attraction.

ESTIMATED FISCAL IMPACT:

Decrease State Revenue – Exceeds \$100,000

Other Fiscal Impact - If future taxpayers are eligible for such tax credits as a result of this legislation, there would be an unknown amount of forgone state revenue in future years.

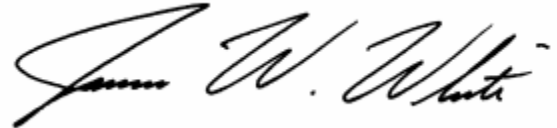
Assumptions:

- “Minimum full-time employee positions” means at least fifty (50) full-time employee positions that pay at least 150% of Tennessee’s average occupational wage; or in the case of an investment in a major cultural attraction by the taxpayer and lessor to the taxpayer of \$250,000,000 or more in a building or buildings, either newly constructed, expanded, or remodeled, means the creation of at least 150% of Tennessee’s average occupational wage or the creation of at least 400 full-time employee positions.
- The fiscal impact of this bill is dependent upon multiple unknown factors such as the number of taxpayers that will become eligible for tax credits as a result of the newly proposed definitions and the number of minimum full-time employee positions each would create. Therefore, a precise fiscal impact for this bill cannot be determined. However, it is reasonably expected that some existing taxpayers would qualify for such tax credits, and state revenue would decrease by an amount exceeding \$100,000 per year.
- In addition, there could be substantial foregone state revenue if future taxpayers are eligible for tax credits as a result of this legislation.

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CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

/rnc